6/28/88 S8750-1

WISCONSIN ECONOMIC INDICATORS

MAY 1988

DILHR

DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCE
L1	Composite Index of Leading Indicators	Wis.Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wis. Department of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Securities Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wis. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wis. Department of Health and Social Services
X2	Death Registgrations	Wis. Department of Health and Social Services
X3	Natural Net Gain in Population	Wis. Department of Health and Social Services
X4	Marriage Registrations	Wis. Department of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wis. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

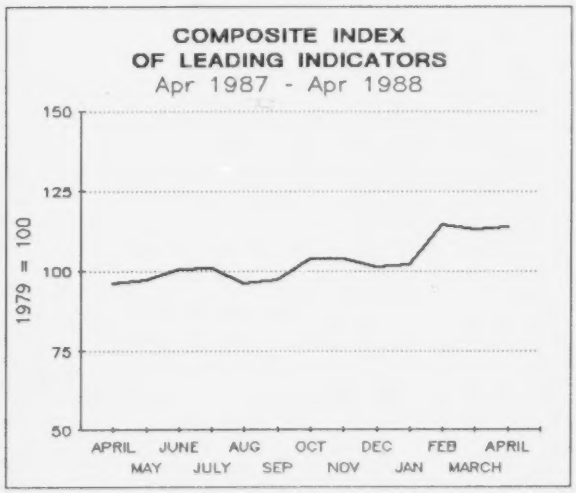
COVER PHOTO: Courtesy of Wisconsin Division of Tourism Development

WISCONSIN ECONOMIC INDICATORS

SUMMARY FOR APRIL

COMPOSITE INDEX

Wisconsin's Composite Index of leading indicators rose by one percentage point, foreshadowing continued economic strength. April's 113.6 index figure is not a record, but 1988's four consecutive above-one-hundred numbers are unparalleled since the index beginning in 1979. Individual leading indicators were mixed in April; some pointing up, some down. Contributing to the rise in the index were increases in the average workweek and average weekly overtime in manufacturing, and a sharp decrease of average weekly initial claims for unemployment compensation.



LEADING INDICATORS

The average workweek for Wisconsin's production workers remained at 41.5 hours in April, but that's a plus. The manufacturing workweek usually decreases a bit in April as more workers are added to factory payrolls. One year ago, the workweek averaged 40.3 hours and, also, manufacturing employment has grown by four thousand workers since then.

The average weekly overtime hours in manufacturing decreased, but only minimally. April's overtime average fell to 3.8 hours from 3.9 hours one month ago. However, a decrease to 3.6 hours would have fit the normal seasonal pattern.

The average weekly number of initial claims for unemployment compensation decreased by nearly twelve hundred this April. A normal decrease would have been about two hundred. The average claims figure usually remains low from late spring through summer.

A soft spot in April's indicators is the number of job openings received by Job Service offices throughout the state. Calls for workers by employers decreased about 250 this month. An increase of about 75 is normal. The job openings received this year, however, are above the number received in the first four months of last year.

The number of new business incorporations in Wisconsin slipped by about seventy in April. That, too, is subpar for this month. An increase of about fifty would be normal. The month-ago number of incorporations, however, was unusually high; the highest in nearly five years.

The net gain in business telephone access lines decreased by about ninety. That's a fairly mild decrease, but a mild increase would have matched the seasonal trend. Change in the net of business telephone access lines indicates growth or loss in the number of business sites.

The number of commercial and industrial building plans examined increased by 86 in April. That's slightly below normal for this month. Plans are examined for safety purposes before construction begins.

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES			% CHANGE		AVG.
		Latest Month	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago	1987
LEADING INDICATORS							
L1 COMPOSITE INDEX OF LEADING INDICATORS							
Seasonally Adjusted	Index	APR 113.6	112.6	95.7	0.9%	18.7%	97.9
L2 AVG. WORK WEEK, MFG.							
Unadjusted	Hours	APR 41.5	41.5	40.3	0.0%	3.0%	41.4
Seasonally Adjusted		42.0	41.6	40.8	1.0%	2.9%	
L3 AVG. OVERTIME HOURS, MFG.							
Unadjusted	Hours	APR 3.8	3.9	3.1	-2.6%	22.6%	3.9
Seasonally Adjusted		4.3	4.1	3.5	4.9%	22.9%	
L4 AVG. WEEKLY INITIAL CLAIMS							
Unadjusted	Number	APR 5396	5579	7167	-18.0%	-24.7%	7601
Seasonally Adjusted		5686	6762	7554	-15.9%	-24.7%	
L5 TOTAL JOB OPENINGS RECEIVED							
Unadjusted	Number	APR 7557	7807	7724	-3.2%	-2.2%	7774
Seasonally Adjusted		7988	8332	8161	-4.1%	-2.1%	
L6 NEW BUSINESS INCORPORATIONS							
Unadjusted	Number	APR 612	683	624	-10.4%	-1.9%	546
Seasonally Adjusted		557	672	568	-17.1%	-1.9%	
L7 NET GAIN IN BUSINESS TELEPHONE ACCESS LINES							
Unadjusted	Number	APR 2710	2801	2084	-3.2%	30.0%	1921
Seasonally Adjusted		2740	2821	1570	-2.9%	74.5%	
L8 BUILDING PLANS EXAMINED							
Unadjusted	Number	APR 613	527	642	16.3%	-4.5%	622
Seasonally Adjusted		595	637	623	-6.6%	-4.5%	
COINCIDING INDICATORS							
C1 HELP-WANTED INDEX (MILW.)							
Seasonally Adjusted	Index	APR 106	99	85	7.1%	24.7%	78
C2 UNEMPLOYMENT RATE, TOTAL							
Unadjusted	Percent	APR 4.6	6.2	6.5	.....	.....	6.1
Seasonally Adjusted		4.4	5.1	6.2	.....	.....	
C3 NATURAL GAS SALES							
Unadjusted	Mil.	FEB 360.5	410.1	270.1	-12.1%	33.5%	169.0
Seasonally Adjusted	Therms	220.1	211.5	164.9	4.1%	33.5%	
C4 NEW CAR REGISTRATIONS							
Unadjusted	Number	APR 15,579	15,946	15,978	-2.3%	-2.5%	14,261
Seasonally Adjusted		14,683	19,044	15,054	-22.9%	-2.5%	
C5 ELECTRIC POWER SALES							
Unadjusted	Mil. KWH	FEB 2294.5	2304.1	1861.8	-0.4%	23.2%	2068.8
Seasonally Adjusted		2443.6	2311.0	1982.9	5.7%	23.2%	
C6 TOTAL SECURITIES REGISTRATIONS							
Unadjusted	Mil. Dol.	APR 36.0	164.1	111.3	-78.1%	-67.7%	120.4
Seasonally Adjusted		33.1	168.7	102.4	-80.4%	-67.7%	

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A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES				% CHANGE		AVG.
		Latest Month		Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago	1987
C7 MANUFACTURING EMPLOYMENT								
Unadjusted	Thous.	APR	539.0	535.1	517.5	0.7%	4.2%	526.8
Seasonally Adjusted			546.1	545.5	524.1	0.1%	4.2%	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	Dollars	APR	$444.88	$441.56	$425.97	0.8%	4.4%	$436.88
Seasonally Adjusted			$449.37	$438.93	$430.11	2.4%	4.5%	
C9 CASH RECEIPYS FROM FARM MKTG.								
Unadjusted	Mil. Dol.	JAN	443.9	439.6	500.9	1.0%	-11.4%	433.1
Seasonally Adjusted			427.2	403.8	481.9	5.8%	-11.4%	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	Thous.	APR	67.9	61.9	63.8	9.7%	6.4%	67.4
Seasonally Adjusted			74.5	77.1	70.1	-3.4%	6.3%	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	Number	APR	5652	5994	5668	-5.7%	-0.3%	5892
Seasonally Adjusted			5767	5964	5785	-3.3%	-0.3%	
X2 DEATH REGISTRATIONS								
Unadjusted	Number	APR	3347	3812	3368	-12.2%	-0.6%	3528
Seasonally Adjusted			3443	3613	3466	-4.7%	-0.7%	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	Number	APR	2305	2182	2300	5.6%	0.2%	2364
Seasonally Adjusted			2317	2324	2311	-0.3%	0.3%	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	Number	APR	2493	1785	1892	39.7%	31.8%	3173
Seasonally Adjusted			3865	3473	2934	11.3%	31.7%	
X5 CONSUMER PRICE INDEX				(Jun '87)	(Nov '87)			
Unadjusted	Index	DEC	349.2	340.0	330.7	2.7%	5.6%	
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	Index	APR	130	130	133	0.0%	-2.3%	134
Seasonally Adjusted			132	129	135	2.3%	-2.2%	
X7 NET GAIN IN RESIDENTIAL TELEPHONE ACCESS LINES								
Unadjusted	Number	APR	3336	1743	1658	91.4%	101.2%	1750
Seasonally Adjusted			2098	1818	1598	15.4%	31.3%	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	Number	APR	11	11	1240	0.0%	-99.1%	538
Seasonally Adjusted			16	81	1848	-80.2%	-99.1%	
X9 UNEMPLOYMENT COMPENSATION EXHAUSTEES								
Unadjusted	Number	APR	17,129	15,662	21,527	9.4%	-20.4%	18560
Seasonally Adjusted			16,084	15,772	20,207	2.0%	-20.4%	

Section

B LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES APRIL	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Unadjusted					
CIVILIAN LABOR FORCE	2462.9	2455.8	2445.1	0.3%	0.7%
Employment (incl. Labor Disputes)	2310.4	2288.9	2254.4	0.9%	2.5%
Unemployment	152.5	166.9	190.7	-8.6%	-20.0%
Unemployment Rate	6.2	6.8	7.8	.....	.....
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2521.0	2511.9	2494.6	0.4%	1.1%
Employment (incl. Labor Disputes)	2391.7	2374.4	2333.0	0.7%	2.5%
Unemployment	129.2	137.5	161.6	-6.0%	-20.0%
Unemployment Rate	5.1	5.5	6.5	.....	.....

WISCONSIN EMPLOYMENT ESTIMATES APRIL	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Unadjusted					
TOTAL NONFARM WAGE AND SALARY WORKERS	2122.7	2094.8	2056.5	1.3%	3.2%
Manufacturing	539.0	535.1	516.5	0.7%	4.4%
Mining	2.2	1.6	2.0	37.5%	10.0%
Contract Construction	67.9	61.9	63.8	9.7%	6.4%
Transportation and Public Utilities	95.1	94.3	93.4	0.8%	1.8%
Electric, Gas and Sanitary Services	17.4	17.4	17.4	0.0%	0.0%
Wholesale Trade	110.0	109.3	104.0	0.6%	5.8%
Retail Trade	391.4	384.1	378.7	1.9%	3.4%
General Merchandise	48.4	48.4	47.2	0.0%	2.5%
Finance, Insurance and Real Estate	113.5	112.6	111.3	0.8%	2.0%
Banking	28.0	28.0	27.5	0.0%	1.8%
Insurance	38.5	38.4	37.2	0.3%	3.5%
Service and Miscellaneous	464.4	459.4	449.1	1.1%	3.4%
Hospitals	70.1	70.0	67.6	0.1%	3.7%
Private Education	27.1	27.0	26.1	0.4%	3.8%
Government	339.2	336.4	337.7	0.8%	0.4%
State Government	85.4	84.4	87.3	1.2%	-2.2%
Local Government	225.0	223.1	221.7	0.9%	1.5%

UNITED STATES LABOR FORCE ESTIMATES MAY	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	120,978	121,323	119,907	-0.3%	0.9%
Employment (incl. Labor Disputes)	114,195	114,713	112,334	-0.5%	1.7%
Unemployment	6,783	6,610	7,573	2.6%	-10.4%
Unemployment Rate	5.6%	5.4%	6.3%	.....	.....

WISCONSIN ECONOMIC INDICATORS

MANUFACTURING EMPLOYMENT Unadjusted APRIL	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
All Manufacturing (Incl. Canning)	539.0	535.1	516.5	0.7%	4.4%
All Manufacturing (Excl. Canning)	531.3	527.7	508.4	0.7%	4.5%
Durable Goods	335.1	332.2	318.7	0.9%	5.1%
Lumber and Wood Products (Excl. Furniture)	26.8	26.4	25.7	1.5%	4.3%
Furniture and Fixtures	11.4	11.4	10.9	0.0%	4.6%
Stone, Clay, and Glass Products	9.1	8.5	8.9	7.1%	2.2%
Primary Metal Industries	21.4	21.1	19.6	1.4%	9.2%
Iron and Steel Foundries	11.1	10.9	9.8	1.8%	13.3%
Fabricated Metal Products	55.9	55.2	52.6	1.3%	6.3%
Fabricated Structural Metal Products	13.5	13.3	12.6	1.5%	7.1%
Metal Stampings	11.1	11.1	10.8	0.0%	2.8%
Machinery (Excl. Electrical)	109.0	108.4	100.8	0.6%	8.1%
Engines and Turbines	20.9	20.9	19.5	0.0%	7.2%
Farm Machinery and Equipment	13.2	13.4	12.0	-1.5%	10.0%
Constr.,Mining, Material Handling Machinery	10.9	11.0	10.2	-0.9%	6.9%
Metalworking Machinery and Equipment	11.7	11.5	11.5	1.7%	1.7%
Special Ind. Mach., Excl. Metalworking	14.0	13.8	12.5	1.4%	12.0%
Gen. Industrial Mach. and Equip.	14.8	14.8	13.7	0.0%	8.0%
Electrical Machinery, Equip. and Supplies	47.7	47.3	46.2	0.8%	3.2%
Electrical Industrial Apparatus	15.7	15.6	15.2	0.6%	3.3%
Transportation Equipment	31.8	32.2	33.6	-1.2%	-5.4%
Motor Vehicles and Equipment	25.4	25.2	25.9	0.8%	-1.9%
Instrument and Related Products	12.1	12.2	11.6	-0.8%	4.3%
Miscellaneous Manufacturing	9.8	9.4	8.7	4.3%	12.6%
Nondurable Goods	203.9	202.9	197.8	0.5%	3.1%
Food and Kindred Products	57.9	57.5	57.2	0.7%	1.2%
Meat Products	14.8	14.6	14.2	1.4%	4.2%
Dairy Products	17.5	17.3	16.6	1.2%	5.4%
Canning and Preserving	7.7	7.4	8.1	4.1%	-4.9%
Bakery Products	4.2	4.3	4.2	-2.3%	0.0%
Beverage Industries	7.1	7.1	7.3	0.0%	-2.7%
Textile Mill Products	4.7	4.5	4.1	4.4%	14.6%
Apparel and Other Finished Products	6.8	6.9	6.6	-1.4%	3.0%
Paper and Allied Products	47.5	47.6	47.9	-0.2%	-0.8%
Pulp and Paper Mills	28.9	28.9	29.3	0.0%	-1.4%
Printing, Publishing and Allied Products	44.0	43.7	40.7	0.7%	8.1%
Chemicals and Allied Products	10.3	10.2	10.1	1.0%	2.0%
Rubber and Misc. Plastics Products	25.4	25.2	24.4	0.8%	4.1%
Miscellaneous Plastics Products	21.2	21.1	20.2	0.5%	5.0%
Leather and Leather Products	7.1	7.0	6.5	1.4%	9.2%

Section

C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS Unadjusted APRIL	Average Weekly Earnings			Average Weekly Hours		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$444.48	$246.96	$425.97	41.5	41.5	40.3
All Manufacturing (Excl. Canning)	445.36	442.39	428.24	41.7	41.5	40.4
Durable Goods	458.11	453.23	429.45	42.3	42.2	40.4
Lumber and Wood Products (Excl. Furniture)	321.60	314.81	320.33	40.2	39.4	40.6
Furniture and Fixtures	363.98	349.64	334.46	43.8	42.9	41.6
Stone, Clay, and Glass Products	435.89	430.53	405.76	45.5	44.8	44.2
Primary Metal Industries	448.22	451.55	429.41	43.9	44.4	42.6
Iron and Steel Foundries	457.77	455.54	440.00	45.1	45.6	44.0
Fabricated Metal Products	420.86	426.21	402.48	41.1	41.5	38.7
Fabricated Structural Metal Products	421.10	433.16	420.33	41.9	43.1	42.5
Metal Stampings	461.85	457.26	433.20	41.2	40.9	37.9
Machinery (Excl. Electrical)	500.21	506.20	486.80	42.9	43.6	41.5
Engines and Turbines	562.39	552.98	578.59	42.8	42.8	42.7
Farm Machinery and Equipment	523.85	541.79	520.15	43.8	44.3	40.7
Constr.,Mining, Material Handling Machinery	503.30	486.33	442.78	43.5	43.5	40.4
Metalworking Machinery and Equipment	521.67	554.65	493.23	43.4	45.5	41.0
Special Ind. Mach., Excl. Metalworking	503.14	520.58	467.16	43.6	44.8	40.8
Gen. Industrial Mach. and Equip.	456.34	463.39	475.19	40.6	41.3	41.0
Electrical Machinery, Equip. and Supplies	420.56	417.56	392.89	40.4	40.5	38.9
Electrical Industrial Apparatus	439.42	436.59	436.45	40.8	40.5	40.6
Transportation Equipment	660.07	604.30	533.87	44.3	42.2	39.4
Instrument and Related Products	378.32	363.12	349.95	42.7	40.8	39.1
Nondurable Goods	421.37	422.58	421.94	40.4	40.4	40.3
Food and Kindred Products	390.80	395.02	386.31	40.0	39.7	39.1
Meat Products	358.16	355.71	346.81	39.1	39.7	39.5
Dairy Products	369.78	399.37	391.42	38.2	40.3	39.9
Textile Mill Products	295.30	290.50	299.44	41.3	40.8	39.4
Apparel and Other Finished Products	249.01	249.17	234.24	37.0	38.1	36.6
Paper and Allied Products	572.83	572.76	570.15	44.2	44.4	45.0
Pulp and Paper Mills	624.23	622.90	630.27	45.3	45.5	47.0
Printing, Publishing and Allied Products	416.25	421.83	421.88	37.5	37.9	37.5
Chemicals and Allied Products	406.13	402.05	449.20	37.5	37.9	40.0
Rubber and Misc. Plastics Products	341.74	335.07	326.63	40.3	39.7	39.4
Leather and Leather Products	252.88	253.72	254.93	38.2	38.5	37.6

WISCONSIN ECONOMIC INDICATORS

AVERAGE HOURLY EARNINGS Unadjusted APRIL	Including Overtime			Excluding Overtime		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$10.72	$10.64	$10.57	$10.20	$10.12	$10.15
All Manufacturing (Excl. Canning)	10.68	10.66	10.60	10.12	10.15	10.18
Durable Goods	10.83	10.74	10.63	10.34	10.25	10.32
Lumber and Wood Products (Excl. Furniture)	8.00	7.99	7.89	7.81	7.85	N.A.
Furniture and Fixtures	8.31	8.15	8.04	7.97	7.91	7.78
Stone, Clay, and Glass Products	9.58	9.61	9.18	9.11	9.18	8.89
Primary Metal Industries	10.21	10.17	10.08	9.64	9.58	9.70
Iron and Steel Foundries	10.15	9.99	10.00	9.54	9.38	9.59
Fabricated Metal Products	10.24	10.27	10.40	9.80	9.82	10.04
Fabricated Structural Metal Products	10.05	10.05	9.89	9.62	9.54	9.48
Metal Stampings	11.21	11.18	11.43	10.75	10.75	11.18
Machinery (Excl. Electrical)	11.66	11.61	11.73	11.06	11.01	11.24
Engines and Turbines	13.14	12.92	13.55	12.36	12.22	12.60
Farm Machinery and Equipment	11.96	12.23	12.78	11.45	11.64	12.40
Constr.,Mining, Material Handling Machinery	11.57	11.18	10.96	11.02	10.78	10.72
Metalworking Machinery and Equipment	12.02	12.19	12.03	11.48	11.48	11.80
Special Ind. Mach., Excl. Metalworking	11.54	11.62	11.45	10.95	10.98	11.07
Gen. Industrial Mach. and Equip.	11.24	11.22	11.59	10.67	10.65	11.30
Electrical Machinery, Equip. and Supplies	10.41	10.31	10.10	10.01	9.93	9.88
Electrical Industrial Apparatus	10.77	10.78	10.75	10.47	10.46	N.A.
Transportation Equipment	14.90	14.32	13.55	13.83	13.61	13.28
Instrument and Related Products	8.86	8.90	8.95	8.60	8.66	8.80
Nondurable Goods	10.43	10.46	10.47	9.95	9.90	9.86
Food and Kindred Products	9.77	9.95	9.88	9.55	9.55	9.40
Meat Products	9.16	8.96	8.78	8.81	8.69	8.49
Dairy Products	9.68	9.91	9.81	9.22	9.40	9.33
Textile Mill Products	7.15	7.12	7.60	6.83	6.86	7.48
Apparel and Other Finished Products	6.73	6.54	6.40	6.65	6.45	6.36
Paper and Allied Products	12.96	12.90	12.67	12.15	12.06	11.76
Pulp and Paper Mills	13.78	13.69	13.41	12.84	12.72	12.35
Printing, Publishing and Allied Products	11.10	11.13	11.25	N.A.	N.A.	N.A.
Chemicals and Allied Products	10.83	10.75	11.23	10.35	10.25	10.93
Rubber and Misc. Plastics Products	8.48	8.44	8.29	8.19	8.16	8.01
Leather and Leather Products	6.62	6.59	6.78	6.47	6.44	6.59

Section

C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) APRIL	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS				
							INCL. OVERTIME			EXCL. OVERTIME	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$414.92	$412.87	$398.75	41.0	41.0	40.4	$10.12	$10.07	$9.87	.....	.....
Wisconsin	444.88	441.56	425.97	41.5	41.5	40.3	10.72	10.64	10.57	10.20	10.12
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	478.93	481.68	454.12	42.8	43.2	42.6	11.19	11.15	10.66	10.63	10.57
Beloit (City)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Eau Claire (Eau Claire-Chippewa)	424.93	429.95	432.84	39.2	39.7	39.1	10.84	10.83	11.07	10.48	10.48
Fond du Lac (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Green Bay (Brown County)	468.86	474.62	472.88	40.7	41.2	41.7	11.52	11.52	11.34	10.72	10.68
Janesville (City)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Janesville-Beloit (Rock Co.)	488.03	478.76	462.84	40.2	39.6	38.0	12.14	12.09	12.18	11.48	11.56
Kenosha (County)	621.06	534.94	466.41	45.3	41.5	38.9	13.71	12.89	11.99	12.39	12.28
La Crosse (County)	356.90	354.35	357.24	38.5	38.6	39.0	9.27	9.18	9.16	8.94	8.86
Madison (Dane County)	414.73	416.36	404.19	40.7	40.7	40.5	10.19	10.23	9.98	9.78	9.79
Manitowoc (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	481.97	483.30	469.54	41.3	41.7	40.2	11.67	11.59	11.68	11.01	10.96
Racine (County)	437.40	453.61	437.58	39.8	41.2	39.6	10.99	11.01	11.05	10.65	10.61
Sheboygan (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Wausau (Marathon County)	429.70	420.34	408.24	41.8	41.7	41.7	10.28	10.08	9.79	9.69	9.59

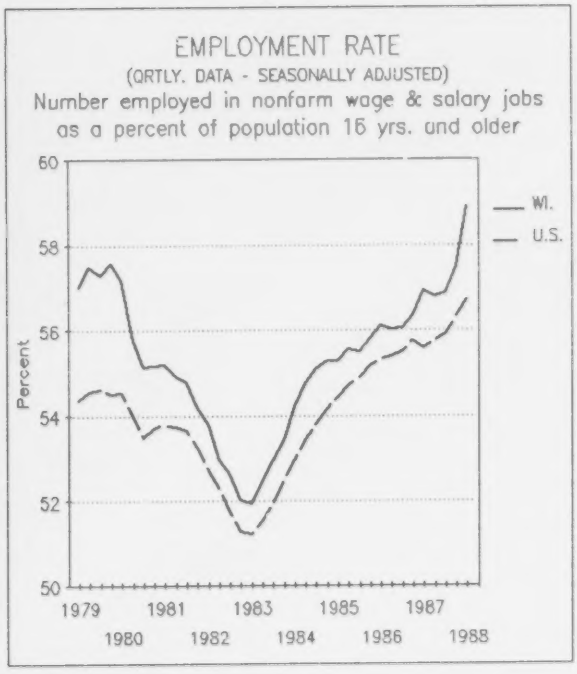
INA - Information Not Available due to budget reductions

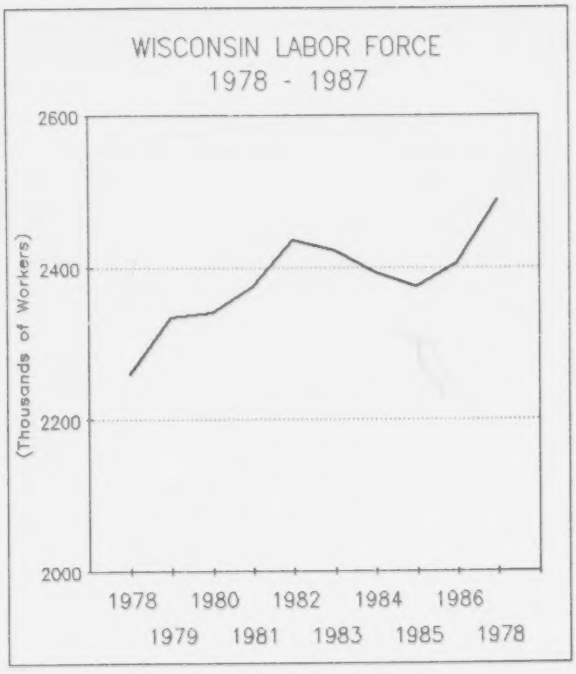
MANUFACTURING EMPLOYMENT Unadjusted APRIL	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
United States	19391.0	19334.0	18926.0	0.3%	2.5%
Wisconsin	539.0	535.1	516.5	0.7%	4.4%
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	51.8	51.5	48.8	0.6%	6.1%
Beloit (City)	INA	INA	INA		
Eau Claire (Eau Claire-Chippewa)	10.5	10.3	10.2	1.9%	2.9%
Fond du Lac (County)	INA	INA	INA		
Green Bay (Brown County)	24.6	24.3	23.9	1.2%	2.9%
Janesville (City)	INA	INA	INA		
Janesville-Beloit (Rock County)	17.9	17.7	17.1	1.1%	4.7%
Kenosha (County)	14.6	14.6	13.1	0.0%	11.5%
La Crosse (County)	11.2	11.0	10.8	1.8%	3.7%
Madison (Dane County)	23.2	23.0	21.9	0.9%	5.9%
Manitowoc (County)	INA	INA	INA		
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	173.9	172.9	168.4	0.6%	3.3%
Racine (County)	24.4	24.6	24.3	-0.8%	0.4%
Sheboygan (County)	INA	INA	INA		
Wausau (Marathon County)	13.3	13.0	12.2	2.3%	9.0%

ECONOMICS 101: SUPPLY AND DEMAND

By Joseph Tumpach, Jr.

According to predictions made over a year ago by economists and business forecasters, we are now supposed to be in a recession. Yet, defying those predictions, the economy, both the national economy and our state's, continue in an expansion that has lasted five and a half years. And the employment level has gone up, and up, and up. Because labor is a factor of economic production, are we nearing a point beyond which the limited supply of workers will choke economic expansion.





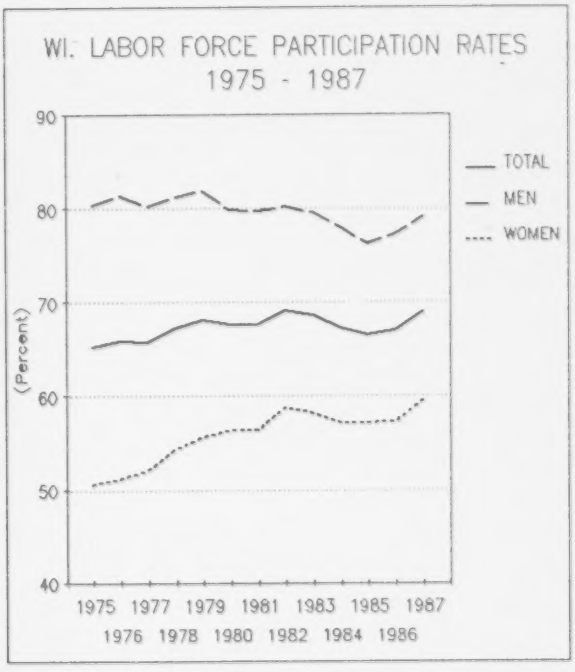
There are limits to economic expansion; our free-market economy advances in cycles of expansion and recession. The economy grows because expansion phases generally last longer than recessions. And, recessions strike because expansions overheat. That is, when the economy is growing very fast, when business is very brisk, bottlenecks and constraints in supply precipitate a recession. Supply can't keep pace with demand. Manufacturers don't receive raw materials fast enough, retailers don't receive merchandise quickly enough...

The labor supply factor of the economic equation, however, usually does not initiate a recession. The level of employment and unemployment tend to increase or decrease concurrently with the turning of the business cycle from expansion to recession and back. Nevertheless, continued economic growth does require labor supply growth.

Concern over the supply of labor stems from the fact that members of our population reaching retirement age are out-numbering those reaching labor force age-sixteen years old. The imbalance results from the low birth rates of the late nineteen-sixties. That past low birth rate is now causing a labor shortage - but mainly in jobs worked by our teenage population, jobs mainly in the retail trade and service

industries. And, the demographically induced shortage is, likely, only temporary. The number of births has been increasing. Thus, the long-term economic expansion will not be affected.

What is perhaps more significant to labor supply is the labor force participation rate of our population; more significant because labor force entry or withdrawal by large numbers of people occur more frequently and rapidly than population change. With the onset of a recession, for example, the labor force participation rate usually drops. Many who are laid off drop out of the labor force rather than seek hard-to-find jobs. And many not in the labor force pospone job seeking because they are convinced few jobs are available. Conversely, in economic good times, the availability of jobs draws more people into the labor market and the participation rate goes up.



Accompanying the short-term, cyclical trend in labor force participation is a long-term general increase of labor force involvement. Caused principally by increased job seeking by women of all ages, the long-term growth of participation has persisted since the nineteen-sixties. If the labor force participation rate continues to increase, and if demographic projections of population growth are accurate, Wisconsin's labor force should increase by about forty to fifty thousand from now through the end of 1989. About twenty percent of that increase will be due to the increased labor force participation rate.

Counter to the increasing trend of women's participation rates, men's labor force participation rates have been decreasing. The decrease is very slow, however, and is well overshadowed by the women's growing rate. One reason, of probably a host of causes, for the men's declining rate is that with more and more multiple worker households, many men feel free to drop out of the labor force to gain more education, thereby advancing their careers or making career changes.

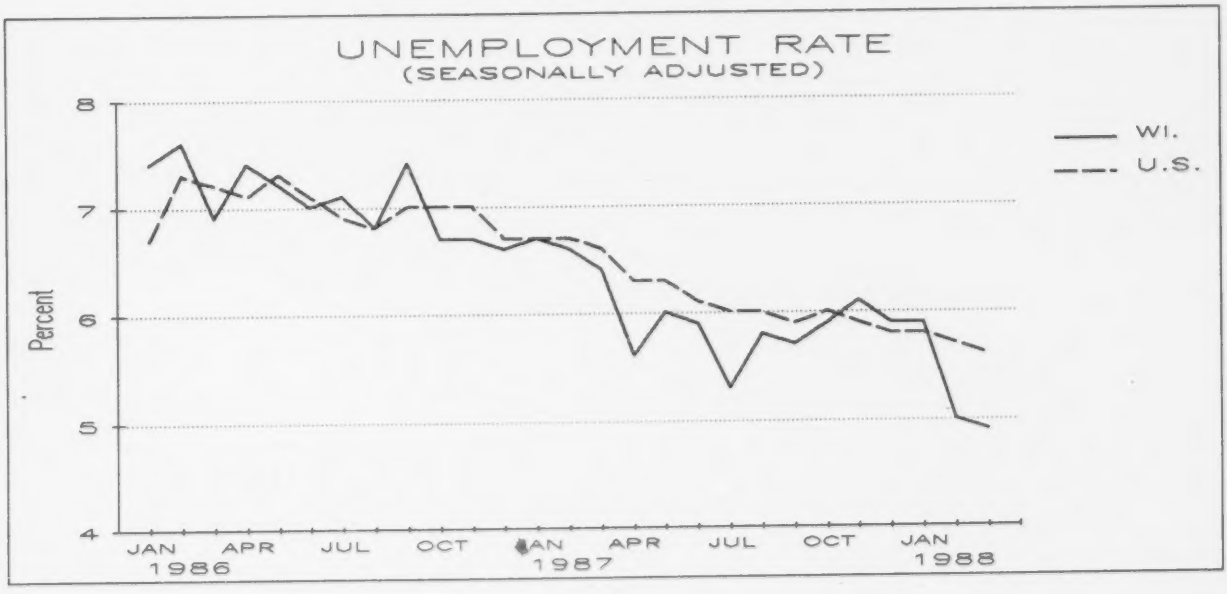
Also of concern to labor watchers is the unemployment rate. A decreasing unemployment rate, of course, is good news. It means a greater portion of those in the labor force found jobs. We can never, however, reach a zero unemployment rate. The reason is that some employed workers quit jobs to find other jobs. The rate of this job quitting usually increase during economically good times; workers simply feel more confident about finding new jobs when the economy is healthy. Yet, it takes time to find a new job. Knowledge of job opportunities is imperfect and workers' ability to move from one job to another is limited by skills and geography. That is, matching jobs and people instantly is impossible. The resulting unemployment is what economists call frictional

unemployment. It is not desirable to reduce this unemployment and reach a zero unemployment rate, for that would require restricting people's freedom to change jobs.

When we factor in the new-job-finding factor, there is a "full-employment unemployment rate", which denotes the maximum efficiency of labor utilization in the economy. Full employment, also called "normal unemployment" level is when all in the labor force are working except the frictionally unemployed. That is, there is no involuntary unemployment.

Reaching full employment is elusive. As the unemployment rate decreases, there is an economy-derailing trend at work. As the unemployment rate decreases, more workers become employed; fewer, unemployed. Thus, labor becomes scarce ... and more costly, as employers bid up wage rates to attract workers. And, scarce, expensive labor is a constraint in an expanding economy.

How scarce are workers in Wisconsin? Overall, job seekers still abound. While the unemployment rate has decreased from seven percent in 1985 to six percent in 1987, and promises to average about five percent this year, most of the falling unemployment rate, as yet, has resulted from employment growth rather than a decrease in unemployment. Thousands are still available and actively seeking work. From 1985 through 1987, employment increased by 136 thousand workers. Yet, unemployment decreased by only 19 thousand. In 1987, the number of unemployed job seekers averaged 152 thousand. Its likely that a lot of those unemployed need retraining and skill development before employment, but there is room for growth in the state's employment.



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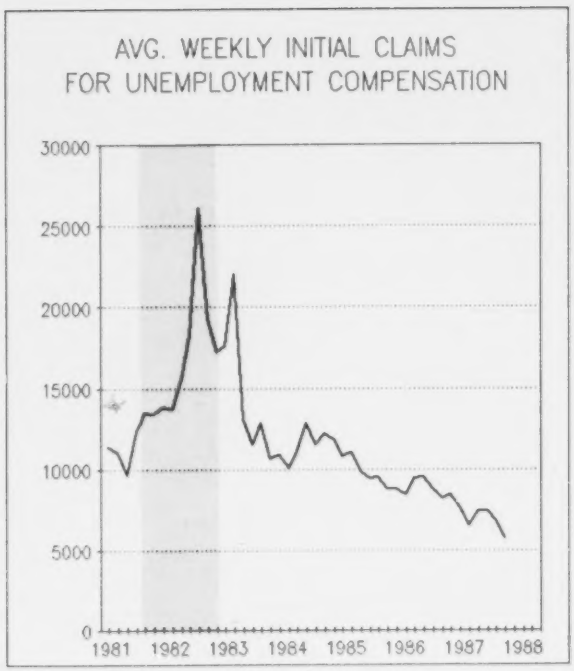
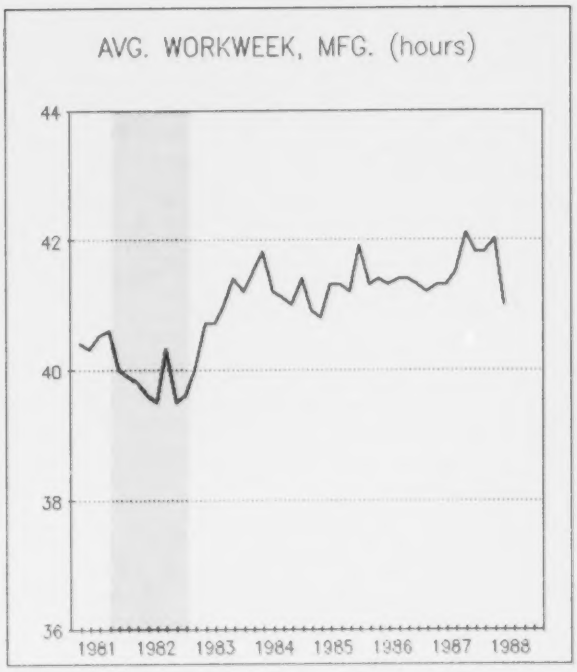
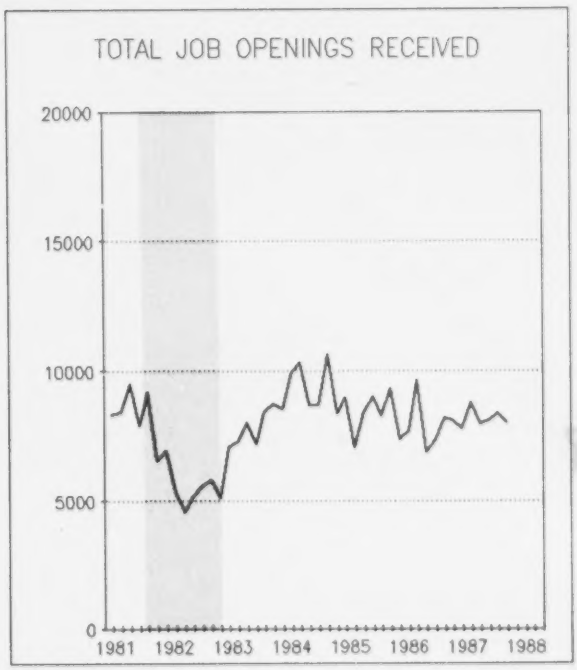
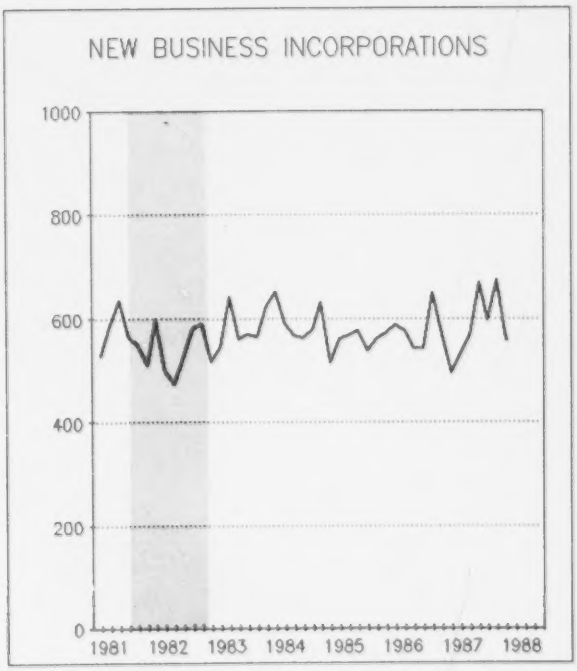
D CYCLICAL INDICATORS









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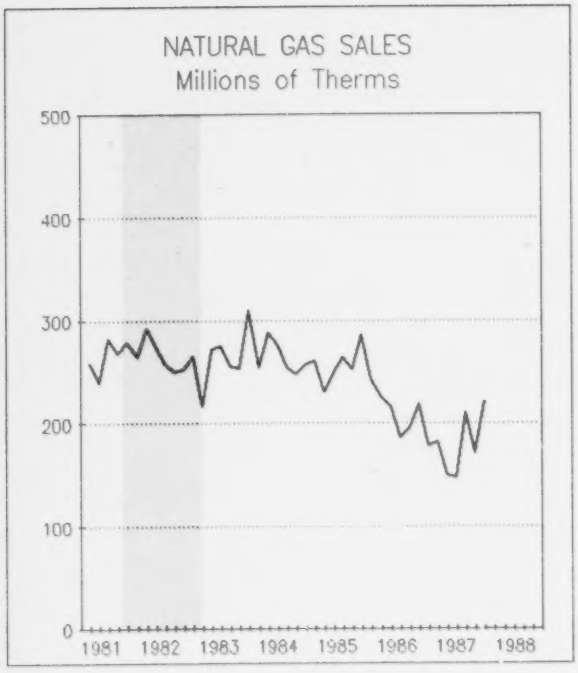

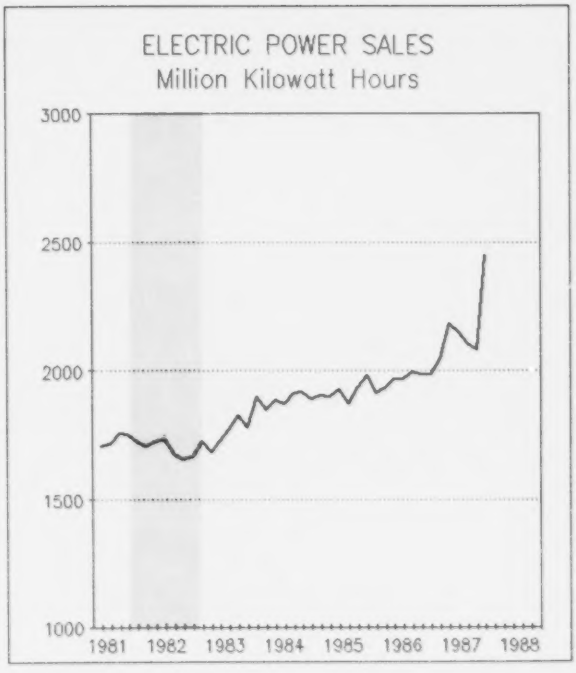

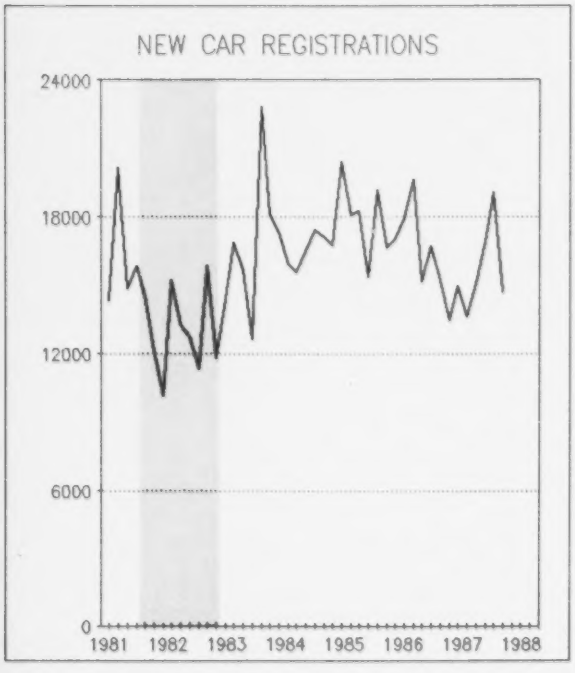

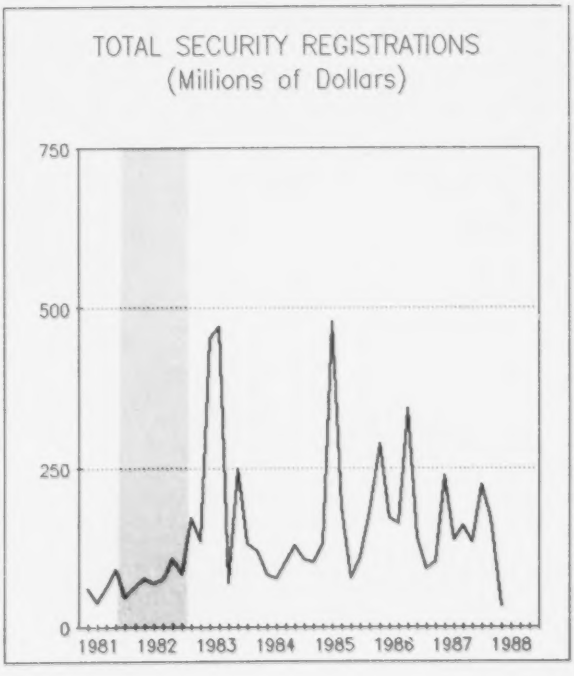

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